

**Montana Coal Board
Draft Meeting Minutes
September 12, 2019
Billings, MT**

Board Members Present

Chairman John Williams, Vice-Chair Sidney Fitzpatrick, on the phone was Amber Henning, Marianne Roose, Tim Schaff, Sean Smith, Veronica Small-Eastman

Montana Department of Commerce Staff Present

A.C. Rothenbuecher and Anita Proul

Public Present

Robert Pontius	Colstrip Fire Chief
Tyler Bush	McKinstry
Eldon C. Johnson	Hardin Public Schools
Rep. Ken Holmlund	House District 38
Jim Atchison	Southeastern Montana Development Corporation
Julie Emmons	Southeastern Montana Development Corporation
Bruce Brown	Colstrip School Board Trustee
Thom MacLean	Big Sky EDA
Bill Kennedy	Montana State University-Billings
Bill Hodges	Big Horn Hospital Association
Kristi Gatrell	Bill Horn Hospital Association
Mark Osborn	Fuego Volunteer Fire Department
Tory Kolkhorst	Senator Steve Daines Representative
Michael Fuss	Big Horn County
Jody Williams	Colstrip Resident
Doug Martens	Rosebud County Commissioner
George Real Bird III	Big Horn County Commissioner
Lawrence Big Hair	Big Horn County Sheriff
Craig Canfield	KLG Engineering
Bob Lewandowski	Colstrip Public Schools
John Rogers	Economic Development Consultant

Welcome – Call to order

Chairman Williams called to order the meeting of the Montana Coal Board at 8:37 a.m. and thanked staff for their hard work and introduced Sean Smith.

Roll call

A.C. Rothenbuecher called the roll for the board members. The following board members were present: Chairman Williams, Vice-Chair Sidney Fitzpatrick, on the phone via conference call Amber Henning, Marianne Roose, Tim Schaff, Veronica Small-Eastman. Sean Smith introduced himself.

Opportunity for Public Comment

- Bill Kennedy: All drawings are finished and CW Clark, Construction in Billings have the bid and have 18 months to finish the construction project
- Jim Atchison: We have been inundated for the last three or four years with media requests and actually we had one reporter capture the heart, soul and spirit of our community with a very

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nice article about Colstrip with everything going on there. Offered handouts. Coal units one and two are now scheduled for shut down on December of this year.

- Julie Emmons: Provided an update on the Ashland Public Schools project.
- Mark Osborn: provided an update on the construction of Fuego Volunteer fire station.
- Bob Lewandowski (Superintendent): Thank you Coal Board and thank you from the students and welcome to Sean Smith.
- Bill Hodges: Provide and update on the Big Horn Hospital project. Thank you so much and really appreciate the support and would love to host the next Coal Board meeting in Big Horn County.

Approval of Minutes (June 20, 2019)

- Chairman Williams called for discussion from the Board regarding the minutes and any comments from the public. No comments were made.

Action by the Board: Marianne Roose made a motion to approve the minutes. Tim Schaff seconded. Motion passed.

Budget Status Update

- Ms. Rothenbuecher- Community Development Operations Manager, discussed the updated spreadsheet.
- Chairman Williams recommended to make awards contingent upon available funds and prioritize awards granted with priorities established by the board.

Legislative Appropriation (HB 209):	\$6,822,204.00
FY 2018 (7/1/17-6/30/18) Appropriation:	\$3,403,336.00
FY 2018 Revenue Available to Date:	\$3,631,279.46
FY 2018 Awards Made to Date:	\$3,403,336.00
FY 2018 Revenue Available to Award:	\$0.00

FY 2019 (7/1/18-6/30/19) Appropriation:	\$3,418,868.00
FY 2019 Revenue Available to Date:	\$3,553,951.65
FY 2019 Awards Made to Date:	\$3,414,262.00
Funds Reverted:	\$138,382.32
FY 2019 Revenue Available to Award:	\$278,071.97
2019 Biennium Awarded:	\$6,817,598.00
2019 Biennium Appropriation Remaining to Award:	\$4,606.00

Revenue Available:	\$139,689.65
Revenue Available with Reverted Funds (to award this meeting):	\$278,071.97

Tribal/State 7% Limit	
2018 Appropriation Tribal/State Limit of 7%:	\$238,233.52
2018 Fiscal Year Awarded:	\$170,356.00
2018 Difference:	\$67,877.52

2019 Appropriation Tribal/State Limit of 7%:	\$239,320.76
2019 Fiscal Year Awarded:	\$154,621.00

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2019 Difference:	\$84,699.76
Designated (at least 50%) Available by Fiscal Year	
2018 Designated (at least 50% of 2018 FY Approp.)	\$1,735,701.36
2018 Awards for Designated	\$2,476,073.00
2019 Designated (at least 50% of 2019 FY Approp.)	\$1,743,622.68
2019 Awards for Designated	\$2,533,353.00
Non-Designated (not more than 50%) Awarded by Fiscal Year	
2018 Non-Designated (not more than 50% of 2018 FY Approp.)	\$1,667,634.64
2018 Awards for Non-Designated	\$500,000.00
2019 Non-Designated (not more than 50% of 2019 FY Approp.)	\$1,675,245.32
2019 Awards for Non-Designated	\$0.00

Project Update

- There are currently 44 open contracts
- Musselshell County grant #871 – thank you letter to the Board.
- Hardin High School grant #846 – scope of work change on environmental review documents, updated budget, updated orientation schedule, public notice – missing from the packet are meeting minutes.
- Ms. Rothenbuecher provided updated information form numerous awardees regarding completions, extension request, draws, and contract routing.

Action by the Board:

- Chairman Williams made a motion to grant Hardin High School request for a scope of work change. Marianne Roose seconded. Motion passed.

Commerce Staff Updates

- Last meeting requested Coal Impact Report and any changes to designated unit
- The board officer Mrs. Pichette is set to leave the Department of Commerce in July currently in the training process to replace that board officer position.
- We have recorded the Environmental Review Webinar is available on the Coal Board website.
- Options for not having binders – IT department at Department of Commerce are looking into any type of technology options that will work for the Board.
- Chairman Williams: I appreciate the fast work on the last biennium as we were right up to the last wire to close out those contracts, so we didn't lose any of the funds.

Board Internal Procedures

- Clarification on election timeframe of Chair to be put on the agenda for Board action at the next meeting.
- Chairman Williams: recommended the first quarterly meeting of the new biennium with a two-year term.

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Action by the Board

- Clarify does “on the phone” board member equate to being physically present.
- Clarify that at the beginning of a biennium that the Board would elect the Vice-Chair and Chair at the same time. That the staff will amend the current control procedures to reflect that and that legal staff will review it and it will be presented at the December meeting for public comment and Board action.
- Loan participation process
- Handed out a memo from the Chief Legal Counsel on the process regarding public participation.
- Clarification of Administrative Rules 8.2.201 – roles of the Department of Commerce have adopted on public and citizen participation and be prepared to adopt or change those as they are identified.

New Business

Application #0880 Big Horn County – Construction for additional space for hospital emergency department **\$287,259**

- The applicant is requesting \$287,259 of a total project cost of \$1,758,791 in Coal Board funds to renovate the Big Horn Hospital Emergency Department. The request to the Board is 16% of the project cost. The applicant states the need to renovate the Big Horn Hospital Emergency Department to meet emerging patient demand for healthcare.
- The environmental at the time of application was incomplete. Agenda and resolution provided after 10 days, need waiver. Applicant will be providing additional documents at meeting.
- Bill Hodges, Big Horn Hospital Association, (handed out meeting minutes and environmental Explaining the 8% increase in ED volume, over 500 ED visits in a month. Renovated ED will have colored ambulance bay with immediate direct access to ED, two trauma bays and TeleMed (a televised board certified physician) to assist the staff, they can literally chart for us and get everything set up when staff is compromised and need to be moved around. Will have a decontamination room built into the ED. There will be a controlled access area to keep staff and patients safe. Current donation amount is approximately \$1.1 that has been posted on FB and in the paper and media to draw attention throughout Big Horn County as it is the preferred hospital in the area.
- Ms. Gatrell: We recently came into some issues with the street that is providing the ambulance driveway. We poured footings for the ED, however with the wet spring, we could not meet compaction; the county and the city are helping us to support coming up with a design that will make this work. It did result in an additional \$164,000 dollars.
- Chairman Williams: indicated the need to prioritize, if we commit to \$287,000 dollars, will you be able to use it the first of the year?
- Bill Hodges: not a problem with that, we’ve borrowed \$11 million dollars, \$8 million directly funded on a loan by the hospital association, also have borrowed the other \$3 million. The other \$3 million is a 7-year loan to offset that \$3 million right now.

Action by the Board: Ms. Small-Eastman made a motion to fund this project at \$287,159. Mr. Smith seconded. Motion passed.

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Application #0881 City of Colstrip, behalf of City of Colstrip Volunteer Fire Department

Purchase of aerial fire apparatus/ladder truck for fire dept.

\$350,000

- The applicant is requesting \$350,000 of a total project cost of \$355,000 in Coal Board funds to purchase an aerial apparatus to provide adequate fire protection to entities like the local coal fired power plant and coal mine. The request to the Board is 99% of the project cost. The applicant states that the aerial apparatus is approximately 50 years old and has deficiencies. The applicant is a designated unit. The environmental is not complete.
- Robert Pontius - Colstrip Fire Chief, seeking to replace aging ladder truck. Current is 1970 Pierce Snorkel truck, built on a Pierce chassis with Wakashi engine; both obsolete; unrepairable. New ladder truck is between \$1.2 and \$1.5 million; requesting \$350,000 to purchase ten-year-old used unit. Replacement is a priority due to permanent closure of Units 1 and 2. Perfect for coal plant fires and drag-line fires we've encountered. (handouts were provided)
- Jim Atchison, South Eastern Montana Development, supports this project.
- Bob Lewandowski, Colstrip Public Schools, supports this project.
- **Questions and comments from the Board** – Robert Pontius, what type of timeframe would you be looking at?
- Robert Pontius - Colstrip Fire Chief, we would be ready to go as soon as we had funding.

Action by the Board: Tim Schaff made a motion to fund this project at \$287,159. Sidney Fitzpatrick seconded. Motion passed.

Application #0882 Colstrip Public Schools – Construction of ADA improvements at high school gymnasium

\$271,303

- The applicant is requesting \$271,303 of a total project cost of \$355,155 in Coal Board funds to complete Phase II of updating the Colstrip High School Gymnasium to be ADA compliant. The request to the Board is 76% of the project cost. The applicant is a designated unit. The environmental is not complete.
- Bob Lewandowski, Colstrip Public Schools, thank you for the opportunity to present and asked to waive the 10-day rule to include the environmental impact.
- Phase I was to replace existing bleacher seating. Phase II is to address access to the building to disabled students, staff and visitors.
- **Questions and comments from the Board** – none

Action by the Board: Veronica Small-Eastman motioned to fund this project at \$271,303. Sean Smith seconded. Motion passed.

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Application #0883 City of Colstrip – Marketing study for City **\$25,000**

- The applicant is requesting \$25,000 of a total project cost of \$100,000 in Coal Board funds for a marketing study and plan. The marketing study and plan would create a consistent marketing brand leading to the development of comprehensive multi-media market materials to support economic diversification within Colstrip region. The request to the Board is 25% of the project costs. The applicant is a designated unit. The environmental is complete as is the planning documents.
- Julie Emmons, Southeastern Montana Development Corporation, two updates available, pursued environmental review process and have that documentation and change of the closing date to December 2019.
- John Rodgers, Economic Development Consultant, marketing study is a #1 priority. Recreate the Colstrip image, supports this project.

Action by the Board: Marianne Roose made a motion to fund this project at \$25,000. Tim Schaff seconded. Motion passed.

Application #0884 Big Horn County – Purchase of tasers for Sheriff's Department **\$38,060**

- The applicant is requesting \$38,060 of a total project cost of \$38,060 in Coal Board funds to purchase 20 tasers for the Sheriff's Department. The request to the Board is 100% of the project costs. Big Horn County provides law enforcement services throughout the county as well as contracted services to the City of Hardin. The applicant is a designated unit.
- Environmental is not complete.
- Captain Michael Foose, Sheriff Office, currently have 11 outdated tasers with 16 deputies, with 5,000 square miles of county to cover, requesting 20 to cover our jail staff as well.
-

Action by the Board: Tim Schaff made a motion to fund this project at \$38,060. Marianne Roose seconded. Motion passed.

Application #0885 Rosebud County – Development of a PAR and needs assessment for a business center **\$80,000**

- The applicant is requesting \$80,000 of a total project cost of \$160,000 in Coal Board funds to develop a preliminary architectural report (PAR), a business development needs assessment, and a side selection plan. The request to the Board is 50% of the project costs. The applicant is a designated unit.
- Environmental and planning documents complete.
- Julie Emmons, Southeastern Montana Development Corporation, other portion of the funds have been approved, and the resolution is now complete.
- John Rodgers, there is so much activity constantly going on there with the closing of Units 1 and 2, impossible to conduct business, proposing more entrepreneurship.
- Doug Martins, Rosebud County Commissioner, with only two libraries and many home-based businesses using the broadband that the county provides at the library, they cannot afford enough computers for everybody to use at the same time; library is getting overloaded. Completely supports this project.
- Bob Lewandowski, Colstrip Public Schools, support this project.

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Action by the Board: Amber Henning made a motion to fund this project at \$80,000. Sidney Fitzpatrick seconded. Motion passed.

Application #0886 Miles City on behalf of Miles City Airport Commission – Construction of runway and taxiway improvements at airport **\$275,000**

- The applicant is requesting \$275,000 of a total project cost of \$4,452,908 in Coal Board funds to reconfigure the runway so that runway protection zones are entirely on airport property. The project includes safety upgrades, taxiway improvements and maintenance work. The request to the Board is 6% of the project costs. The applicant is a designated unit.
- Environmental is complete.
- Julie Emmons, Southeastern Montana Development Corporation, FAA indicated rework, design work not included with application is scheduled to be completed in 2020. In this construction project, the Coal Board to be the first one into the project, then Montana Aeronautical Board and then FAA.
- Craig Canfield, KL&J Engineering, (handouts), completed Phase I in 2016 which included the reconstruction of 4,000 feet of the runway #422, received a Grant from the Coal Board of \$166,000. 2017 requested a grant for design from Coal Board was approved but have not completed the design project yet. Need to complete Phase II to include environmental. Need to clean up five-point intersection of runways. Airport is self-sufficient. Runway project is slated for 2021.
- Doug Fair, Chairman of Miles City Airport Commission, thanked Coal Board for support. Important to note we have the medical ambulance service flights (130 over 12 months), BLM Fire Air Tact from Colstrip to out from Glasgow, and air freight. Proposing industrial sites on the property.
- Jim Atchison, airport is strategically located for government, banking, education, medical, and transportation. Bring city and county government together.
- Rep Holmlund, HD38 in Miles City, discussing possible emergency/disaster services held there.

Action by the Board: Veronica Small-Eastman made a motion to fund this project at \$275,000. Sean Smith seconded. Motion passed.

Opportunity for Public Comment

- Bob Lewandowski - Thank you very much on behalf of those folks that need that wheelchair access, for everything you've done, we so appreciate it and we'll take it back, I want to let you know that we will get a new banner, another banner of thanks because it is important and we are glad you see that importance takes place in our community, so thank you one and all, thank you very much.
- Bill Hodges - again I would ditto that thank you and really appreciative to be able to say the Coal Board funded this emergency department because it's really, really important for us and we're also having a, what we call a "sneak peek" and we think that's going to be in mid-October on the first phase one completion of this ED, I mean we've got the rest of the other third of the building to do but you'll certainly get all invites and if you are in Hardin, mid-October of so, we'd certainly like to have you come over and check that out. Thank you very much.
- Jim Atchison - And certainly we would like to echo those comments for the three applications that we were part of, uh, we want to say thank you, two of those three we are probably going to

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get started on tomorrow probably, so, uh, thank you for that and, or as funds are available I should say, but, at least the planning part so thank you once again.

Old Business

- A.C. Rothenbuecher - At the last meeting, the June 20, 2019 meeting the board requested that a copy of the memo on statutory criteria that was provided by our board staff attorney was provided to the public, this has been included and by including this the board has waived attorney/client privilege on this document only, but it has been provided.
- Chairman Williams – Tim Schaff made the suggestion and for the board to consider this on the language for the Chair and Vice-Chair that we also include language there that in the event, would be the example that the office resigns or the Chair resigns it would be filled by the suggestion by the Vice-Chair or if the Chair becomes incapacitated or for the same thing, same type of language on the Vice-Chair so in the event something happens to one of those individuals we would know who is next or the replacement.
- Tim Schaff – In that event, we would immediately have an election on the Vice-Chair at the next meeting, should that occur. It's important to have an order of succession in place and have it documented.

Board Matters

- Chairman Williams - Confirmation of next meeting dates/location.
- A.C. Rothenbuecher - At the last meeting we had said that December 12 was in Billings, that's up to the Board to confirm, I do want to let you know that we actually have this hotel reserved for December in case you want to keep Billings. You also have an offer on the table to be in Hardin, I believe.
- Chairman Williams – Stated December meeting will be December 12th in Billings.
- A.C. Rothenbuecher – will put Board elections on agenda again next time.

Adjournment

With no other business, the meeting was adjourned by Chairman Williams at 1:54 p.m. The next meeting is scheduled for December 12, 2019 in Billings, Montana, location to be announced